



City of Reedsburg
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MEMODANDUM

To: Mayor and Common Council

Prepared By: Stephen P. Compton, City Administrator

Date of Meeting: December 28, 2016

Subject: Lowering City Debt and Property Taxes – 2017 Budget

The city's longtime practice has been to use the portion of the tax rate that went toward debt that is now retired to fund a small increase in staffing (Full-time City Clerk-Treasurer) Capital Equipment and Capital Improvements. Maintenance and Operations accounts have been maintained at prior levels.

As the Debt has fallen off due to refinancing and the Utility Commission paying more toward bonds (Abating Funds to the City) the General Tax rate has been reduced.

For example, the city paid off in 2015 a CDA Lease Revenue Note in the amount of \$515,000 and refinanced bond debt in 2016 under Refinance Program A and B. This reduced the need for General Fund Tax Levy by \$198,287. The 2016 Bond Budget was \$1,140,135 and the 2017 Bond Budget is 950,847. This is how a City can grow funds to support maintenance and operations.

The city has an approved tax rate of \$9.77 per \$1000 valuation, down .05 cents from last year rate of \$9.82 per \$1000 valuations.

The general fund budget is \$6,032,054 million, down 1.54% percent from the 2016 budget of \$6,126,104.

The Tax rate took into account separating out the Municipal Airport from the General Fund, maintaining the Tax Levy for the Capital Equipment and Capital Improvement Funds. The Library portion of the levy increase 2%